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United States Senate

WASHINGTON, DC 20510

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COMMITTEES:
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The Honorable Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

WCB
NBP
PV
JC
1045

Dear Chairman Genachowski:

Thank you for your work on the National Broadband Plan (the Plan). I continue to review its contents with interest and appreciate its ambitious scope and commitment to detailed analysis. From just a few lines of statute included in the American Recovery and Reinvestment Act, your team shouldered the responsibility of faithfully reviewing the many challenges broadband build out faces in the United States.

Affordable access to both communications and broadband services for rural residents is very important to my state, and I appreciate your attention to the challenge of broadband access in rural parts of the country. I am excited by the economic possibilities that broadband could make available to my constituents, both those who reside in rural settings and those who live in larger cities and towns. As you may know, I was intimately involved in maximizing the use of information technology and enhanced communications services in Nebraska as Governor and throughout rural America as Secretary of the Department of Agriculture.

Portions of the Plan, however, have generated significant concern in Nebraska. In particular, some find alarming the decision to pursue two strikingly different broadband download speeds for different demographics. I share their concern. As you know, the plan suggests that the download goal in rural settings should be 4 megabits-per-second (Mbps), while 100 Mbps would be an appropriate goal for non-rural settings. I worry that these dramatically different standards threaten to institutionalize what some have called the "digital divide," consigning rural customers to dramatically slower speeds for years to come.

Thank you for your attention to this matter. I look forward to working with you to make certain that broadband works for Nebraska.



Senator Mike Johanns

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

October 13, 2010

The Honorable Mike Johanns
United States Senate
404 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Johanns:

Thank you for your letter expressing concern about the effect of the National Broadband Plan's (NBP) proposed universalization level of 4 Mbps on rural America. The NBP called for a Connect America Fund to enable all U.S. households to access a network that is capable of providing both high-quality voice-grade service and broadband that satisfies the National Broadband Availability Target. Recently, the Commission's Omnibus Broadband Initiative (OBI) staff released a technical paper addressing the Target speed, which I am enclosing for your review. The OBI paper details the reasons for the 4 Mbps level and notes the importance of periodic adjustments as the data supporting the Target continues to evolve.

The 4 Mbps speed is very aggressive and represents one of the highest levels in the world today for universalization, while the NBP's 100 Mbps number is based on a long-range goal. Few residential customers today subscribe to 100 Mbps service, and 4 Mbps currently is the median speed purchased by consumers. Only 6 percent of consumers subscribe to broadband service that is faster than 10 Mbps. Broadband service at 4 Mbps permits consumers to utilize its full benefits, including web browsing, e-mail, two-way video conferencing, and watching educational lectures online in standard definition. The Target speed also is "reasonably comparable" to the broadband service currently provided in urban areas, which is the standard mandated under Section 254 of the Communications Act for universalization. Cost is also a factor that needs to be considered – subsidizing universal 100 Mbps deployment today could cost as much as \$320 billion, which could increase the size of the fund to \$40-50 billion annually, and lead to a universal service fee, on average, of \$30 per month per American household.

Be assured that I am committed to making broadband affordable and attainable by all Americans, regardless of where they live or which service providers they use. I look forward to working with you and other Members of Congress as the Commission transforms its universal service policies to ensure that there will be no digital divide in our nation. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,



Julius Genachowski

Enclosure